IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

APPEAL FROM ORDER No 419 of 2001
with
CIVIL APPLICATION No 11358 of 2001

For Approval and Signature:

Hon'ble MR.JUSTICE SHARAD D.DAVE

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1. Whether Reporters of Local Papers may be allowed to see the judgements? : YES

2. To be referred to the Reporter or not? : YES

3. Whether Their Lordships wish to see the fair copy of the judgement? : NO

4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder? : NO

5. Whether it is to be circulated to the Civil Judge? : NO

ANNAPURNA UDYOG BHANDAR

Versus

NASIK HING SUPPLYING CO.

Appearance:
1. Appeal from Order No. 419 of 2001
MR RR SHAH for Petitioners No. 1-2
M/S THAKKAR ASSOC. for Respondent No. 1
..... for Respondent No. 2

CORAM : MR.JUSTICE SHARAD D.DAVE

Date of decision: 06/12/2001

C.A.V. JUDGEMENT

1. Being aggrieved by order dated 28.9.01 passed by

the learned City Civil Judge, Court no. 5 below exh. 55 filed by original defendants/present respondents in Civil Suit no. 5115 of 1993, the appellants/original plaintiffs have appeared before this Court by way of this Appeal From Order under Sec. 104 read with Order 43 Rule 1(r) of the Civil Procedure Code, 1908. For the sake of convenience, the parties to this litigation have been referred to as they have been arrayed by the trial Court. The appellants/plaintiffs prayed in this Appeal from order to quash and set aside the order dated 28.9.01 passed by the learned City Civil Judge, Court no. 5 below exh. 55 and further prayed to grant interim injunction against the use of impugned Annapurna trade mark for the State of Gujarat.

2. With the consent of the learned advocates, the present appeal from order is disposed of finally.

3. The facts giving rise to the litigation, as stated by the plaintiffs in this appeal, in nutshell are as under : The plaintiff no. 1 is a sole proprietorship firm carrying on business as manufacturers of and merchants in Asafoetida and compound Asafoetida (popularly known as Hing in Gujarat) since 1976. The plaintiff no. 2 is a Private Limited company marketing Annapurna Brand Asafoetida and compound Asafoetida of defendant no. 1 as licensee. The defendant no. 1 is a firm carrying on business as manufacturers and dealers of asafoetida and compound asafoetida (Hing) at Nasik in Maharashtra state. The defendant no. 2 is a dealer of defendant no. 1 through whom the goods of the defendant no. 1 are being commercially sold in Ahmedabad. It is the case of the plaintiff no. 1 that it owns Annapurna Trade Mark with device of goddess of Annapurna with various nos. like Annapurna 111, Annapurna 151, Annapurna 222 etc. The trade mark Annapurna of the first appellant is the word Annapurna used with device of goddess Annapurna. The said trade mark has been extensively used by the plaintiffs and has acquired appreciation by reason of intrinsic quality of the product in respect of Hing. The plaintiff no. 1 has acquired registered trade mark in the brand label no. 222 bearing no. 363800 dated 15.7.80 and brand label no. 111 bearing no. 389162 dated 24.4.82. Both the registered marks were under class `30'.

4. It is the case of the plaintiffs that in or about June 76, the plaintiff no. 1 wanted to introduce asafoetida and compound asafoetida and thereupon decided to adopt the fanciful Annapurna with device of Goddess Annapurna as a Trade Mark for their said products. He

started manufacturing the said Hing in the month of September, 96 and also marketing under the said trade mark with nos. 111, 151 and 222 since 24.10.76. Since the last 25 years, the plaintiffs have spent considerable amount and made efforts for promoting their product of Hing. They maintained high quality standards of their said Annapurna products. Because of the excellent efficacy, high quality standards and sales promotion efforts put in by the plaintiffs, there is an ever increasing demand for their said Annapurna products all over India and during the last 25 years, it has exceeded several crores of rupees in its turn over.

5. It is the case of the plaintiffs that for the label no. 151, application no. 389163 was made on 24.4.82 in Class 30 for Hing and it was opposed by the defendant no. 1. The said opposition has been decided in favour of the present appellants/plaintiffs. Dissatisfied with the said decision, the defendant no. 1 has filed review petition before the Registrar of Trade Marks which was decided against the present appellants/ plaintiffs. Dissatisfied with the said order, the present appellants/plaintiffs preferred appeal against the order of Registrar of Trade Marks. The appeal has been allowed by this Court in favour of the appellants and against the said order, the defendant no. 1 filed a second appeal before the Division Bench of this Court. This Court has admitted that appeal and the said appeal has been referred to Larger Bench on the point of maintainability of second appeal which is pending.

6. The copy of the above order is not produced on record by the appellants nor they have produced copy of order passed by Bombay High Court in Misc.Application no. 43/00. The Assistant Registrar of Trade Marks, Bombay is respondent no. 2 whose order has been challenged before Bombay High Court.

7. It is the case of the plaintiffs that in the month of May, 1993 the present defendants gave advertisement in two Gujarat dailies announcing that they wanted dealers in the cities and villages of Gujarat State. On or about 20.8.93, the plaintiffs came to know that the defendant no. 1 is marketing its Annapurna Brand hing through defendant no. 2 in the city of Ahmedabad in violation of plaintiffs' rights. The trade mark of Annapurna brand with device of goddess Annapurna is identical and/or deceptively and/or confusingly similar to plaintiffs' trade mark Annapurna with device of the goddess Annapurna phonetically, visually as well as structurally.

8. The defendant no. 1 has started marketing its product Annapurna Hing through defendant no. 2 at Ahmedabad in the local market. That the plaintiffs' user of the mark Annapurna is prior in point of time and as the plaintiffs have established very good market and obtained registration of the said mark and that the said Annapurna products of the plaintiffs enjoy good reputation among consumers, the defendants should not be allowed to market their product under the rival trade mark Annapurna. The plaintiffs say that the rival marks are identical and/or deceptively similar to each other. The plaintiffs, therefore, filed Civil Suit no. 5115 of 1993 and also filed notice of motion. The trial court was pleased to grant injunction against the defendants for the State of Gujarat only on infringement and passing off actions by order dated 6.11.94 restraining the impugned trade mark as the defendant no. 1 is having the registration for the district of Nasik. Thereafter, the defendants have filed application for vacating injunction exh. 55 in the suit on 11.2.94 on the ground that trade mark Annapurna is registered for all over India. According to the plaintiffs, the learned trial judge passed order on 28.9.01 allowing the defendants' application exh. 55 whereby the learned trial judge has vacated the injunction granted in favour of the plaintiffs.

9. Mr.R.R.Shah L.A. for the plantiffs/appellants has vehemently argued that there was no reason for the trial court to vacate the injunction which was granted earlier in favour of the plaintiffs and against the defendants. In view of the fact that the defendants were having business of Hing only in Nasik district, where as the plaintiffs were having business in State of Gujarat only, the learned trial court judge has erred in applying various principles and ingredients required for injunction and passing of action by the respondent as held by Apex Court & various High Courts. The trial Court judge has failed to appreciate that the plaintiffs have done the business of more than 2 crores and spent a good deal of amount towards advertisement. The trial court judge has also failed to appreciate the three main principles for granting injunction such as prima facie case, balance of convenience and irreparable loss, as laid down by the Apex Court and various high courts. Mr.R.R.Shah, L.A. for the appellants has relied on Sec. 29 & 30 of The Trade Merchandise Marks Act, 1956 (hereinafter referred to as the Act). He also supported the reasons given by the learned trial court judge while granting stay below notice of motion exh. 5 & 6 on

11.2.94.

10. In further support of submissions, Mr.R.R.Shah relied on Corn Products Refining Com. V/s Shangrila Food Products Ltd. reported in AIR 1960 SC 142. Mr.Shah also relied on the judgment of this Court in case of Sandhya Organic Chemicals Pvt.Ltd. & Anr. V/s United Phosphorous Ltd. & Anr. reported in 1997(2) G.L.H. 307 and also relied on the case of Century Traders V/s Roshan Lal Duggar & Co. and others reported in AIR 1978 Delhi 250. The Delhi High Court has stated about the interim injunction in passing off action in para 14. By relying on the aforesaid authorities and observations made by the Apex Court and the High Courts, it is the submission of Mr.Shah that till the hearing of the suit, the defendants be restricted by the injunction granted earlier in the notice of motion and that the order passed below exh. 55 is required to be set aside as the plaintiffs are doing the business in Hing prior in time than the defendants entered the market.

11. Against the aforesaid submissions, Mr.P.M.Thakkar, learned counsel for the respondents/defendants submitted that the xerox copy of certificate of trade mark no. 502658 dated 21st December, 1988 in respect of asafoetida is produced. He further submitted that it is not in dispute that the said certificate is pertaining to the use of the said trade mark all over India. Mr.Thakkar also produced before me the xerox copy of Interim Petition no. 43/00 in Misc.Petition no. 42/00 in Ordinary Original Civil Jurisdiction before the High Court of Judicature at Bombay against the order of Assistant Registrar of Trade Marks filed by the present appellant no. 1 against the present respondent no. 1 & Asst. Registrar of Trade Marks, Bombay. According to Mr.Thakkar, while reading the whole order, it is crystal clear that it is the present appellant no.1 who has admitted that the defendant no. 1 is using the said trade mark Annapurna since 1967. It is the trade mark Annapurna bearing no. 273848 dated 28.4.71. The defendant no. 1 made an application on 21.12.88 for enlarging the territorial limitations and on the ground that by previous registration no. 502658, the defendants were restricted only to Nasik district in the State of Maharashtra. The present plaintiffs have their territorial limitations in the State of Gujarat only. For this purpose, certain observations in para 4 & 15 of the Bombay High Court's order deserves to be reproduced below:

" 4. It appears that the first respondent made

an application on 21st December, 1988 for enlarging territorial limitations imposed on them under previous registration no. 502658. It appears that the first respondents were restricted only to the Nasik district in the State of Maharashtra, while the petitioners have their territorial limitations in the State of Gujarat. It is, therefore, clear that the first respondents want to enlarge the operation of their business outside the Nashik district and reach the all India level including the State of Gujarat. While considering the application filed by the first respondent to register themselves for all India level, the learned Assistant Registrar has considered the law and evidence in details. He has taken into account the documentary evidence which has clearly established prior use of the trade mark of `Annapurna' from 1967 by the first respondent. There is no doubt about this crucial aspect. The aforesaid trade mark was registered in the year 1971. According to the petitioners, the first respondents are debarred from entering the State of Gujarat and they are also not entitled to get registration for All India level. ..... a reference is made only as "and other places."

5. According to me, the petitioners have not made out any strong prima facie case for stay of the impugned order. The learned Assistant Registrar has considered volumineous evidence which was before him. It is pertinent to note that the learned Authority has given cogent reasons which are based on the evidence and material recorded and there is no perversity in the order. It is further pertinent to note that even the learned Counsel for the petitioner has conceded that there was no dispute about the prior use of the said trade mark by the first respondent but it was restricted only to some places and that it was not used within the territory of Gujarat."

12. The learned counsel Mr.Thakkar also relied on one binding decision of the Supreme Court in case of Uniply Industries Ltd. V/s Unicorn Plywood Pvt. Ltd. reported in (2001) 5 SCC 95 and submitted that in absence of action, the plaintiff has to establish a strong prima facie case in his favour along with balance of convenience and irreparable loss. He further submitted that when the areas of activity of parties, in respect of

goods and the trade marks in question were identical and the only question was as to which of the parties was prior user, grant of interim injunction in favour of either party merely on the basis of prima facie case without considering other aspects arising in the matters, was found to be improper and in such circumstances, the suit should be decided expeditiously or the matter may be decided by the Registrar under the said act.

13. I have gone through the order of the learned trial court. When the defendant no. 1 obtained the permission by the Trade Marks Registrar to do the business of Asafoetida (Hing) all over India, there is no error of the learned trial court in allowing the application of the defendants at exh. 55 and modifying the earlier order passed below exh. 5 & 6 by the present plaintiffs. When the defendant no. 1 has obtained the licence to do the business in the name and style of word Annapurna including Gujarat and that too, as observed by the Bombay High Court, which is in prior use since 1967, no interference is required in the order passed by the learned trial court.

14. At this stage, as observed by the Apex Court in case of Uniply Industries Ltd. (supra), para 8 is required to be reproduced here which is as under :

> "Some courts indicate that even prior small sales of goods with the mark are sufficient to establish priority, the test being to determine continuous prior user and the volume of sale or the degree of familiarity of the public with the mark. Bona fide test of marketing, promotional gifts and experimental sales in small volume may be sufficient to establish a continuous prior use of the mark. But on some other occasions courts have classified small sales volume as so small and inconsequential for priority purposes. Therefore, these facts will have to be thrashed out at the trial and at the stage of grant of temporary injunction a strong prim a facie case will have to be established. It has also to be borne in mind whther the appellant had also honestly and concurrently used the trade marks or there are other special circumstances arising in the matter. The courts below have merely looked at what the prima facie case is and tried to decide the matter without considering the various other aspects arising in the matter. Therefore, we think, the appropriate order to be made is that injunction either in the favour of the appellant or against them or vice versa is not

appropriate and the proceedings in the suit shall be conducted as expeditiously as possible or the Registrar under the Trade and Merchandise Marks Act, 1958 may decide the matter which may govern the rights of the parties."

15. Therefore, as per the above decision, Registrar under the Trade Marks Act, is also authorized/competent to decide the rights of the parties. As observed in the order of the Bombay High Court in case of Interim petition no. 43/00 the learned Assistant Registrar has considered volumnious evidence which was before him. The learned authority has given cogent reasons which are based on the evidence on record. Even the learned counsel for the appellants/plaintiffs has considered that there was no dispute about the said use of the trade mark first by the defendant no. 1 but it was listed at some places and that it was not used in the State of Gujarat. Therefore, in view of aforesaid decision also, I do not intend for ordering the suit to be expedited. Against the aforesaid decision of the Bombay High Court, the appellant no. 1 has not gone into higher forum, therefore, it is binding to the appellant no. 1.

16. From the aforesaid discussion, I am of the opinion that there is no error of law or facts, perversity or any other defect in deciding the issue before the trial court and the order passed by the learned trial judge is according to law, passed on sound principles of granting injunction and therefore the appeal deserves to be dismissed with no order as to cost.

17. I would have ordered for expediting the suit but the suit of the present appellants/plaintiffs is of 1993 and the City Civil Court, Ahmedabad is already burdened with old matters, therefore, I am not intending to expedite the suit. However, the trial Court is hereby directed not to get influenced in any manner by the order in this judgment while deciding the final suit.

18. Appeal from order is hereby dismissed. The order of status-quo granted earlier against the present respondents is hereby vacated. Civil Application stands disposed of accordingly.

(SHARAD D DAVE, J)

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